(b) Under the provisions of section 80G of the Income tax Act, 100% deduction is allowed to donations made to certain funds of national importance or to certain State funds for disaster management and medical relief to the poor. Other funds enjoy concession of 50% deduction, for which the foundation set up by the Andhra Pradesh Cultural Council would also be eligible.

States share in small savings

*207. SHRI S. NIRAIKULATHAN : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reddy Commission has recommended that the entire amount collected from a State under small savings be given to that State itself instead of giving only 80 per cent of the collection;

(b) if so, whether the recommendation has been accepted; and

(c) by when it is likely to be implemented?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The Expert Committee on administered interest rates and other related issues, set up under the chairmanship of Dr. Y. V. Reddy, Deputy Governor of Reserve Bank of India has, inter-alia, recommended arrangements, for transfer of entire net proceeds under small savings schemes to the concerned State Governments.

(b) and (c) The Committee has also suggested "a wider debate on various issues involving all stakeholders and wider consultation (particularly with the States) in respect of the Committee's recommendations regarding small savings". The report has, accordingly, been placed on the official website of the Ministry of Finance to invite response from the public and the State Governments. The Committee's Report will provide an input into Government's approach on this subject.

Talks with Employees Association by GIPSA

*208. SHRI R. SARATH KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether General Insurance Public Sector Association of India (GIPSA) is a Regulatory Authority and its decisions are binding on Public Sector Insurance Companies;